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PSC OPENS INQUIRY INTO "UNLIMITED" CALLING PLANS

Action is in response to consumer complaints

FRANKFORT, Ky. (June 22, 2005) - The Kentucky Public Service Commission today opened an inquiry into telephone calling plans that are advertised as "unlimited," but in fact carry restrictions on the quantity or type of usage.

Companies offering restricted "unlimited" calling plans will be required to justify the practice.

The investigation is the result of a number of complaints from consumers who signed up for "unlimited" plans only to discover that significant additional charges were imposed for exceeding restrictions in the plans. The PSC in April dismissed several complaints after determining that the companies had properly filed tariffs with the PSC outlining the terms and conditions of the calling plans.

However, the PSC said it was concerned about the way the plans are promoted, how customers are informed of limits on the plans and how they are notified when they violate those limits.

In an order issued today, the PSC said that "it preliminarily finds that the practice of offering a calling plan that is labeled, described or marketed as 'unlimited,' when, in fact, limits exist on those plans, is potentially deceptive and, therefore, unreasonable."

Telephone companies offering "unlimited" plans have until July 22 to respond to a series of questions regarding the plans. They will be required to describe them, describe how customers are notified of any restrictions and explain why the plans are marketed as "unlimited" if restrictions on usage exist.

Today's order is available on the PSC Web site, psc.ky.gov. The case number is 2005-00186.

The PSC is an agency within the Environmental and Public Protection Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in the Commonwealth of Kentucky and has approximately 110 employees.

